

ECONOMIC HISTORY

Gold Among the 'Heels

BY BETTY JOYCE NASH

News of gold discoveries pulled in experts, captains of industry, money, and miners to the sleepy backwater that was early 19th century North Carolina.

This illustration of the Gold Hill mining works appeared in Harper's New Monthly Magazine in 1857, 15 years after gold was first discovered in the district.

The area was most prosperous and profitable between 1853 and 1858. In 1854, miners struck a new deposit. The Randolph mine plumbed 800 feet, and yielded more gold than any mine east of the Mississippi.



When people say the streets of Charlotte are paved with gold, they're not speaking metaphorically. They may very well be flecked with gold underneath the asphalt.

Eleven years after the Constitution was ratified and 50 years before the Forty-niners rushed to California, a Cabarrus County, N.C., farm boy picked from a creek a shiny rock that his father used as a doorstep for three years. At least, that's the story. It brought \$3.50 from a Fayetteville jeweler but was worth \$3,600. The rock turned out to be a 17-pound gold nugget, and there was more where that came from — the Reed Gold Mine.

News of North Carolina gold set off a half century of discoveries in the South, from Virginia to Alabama. The gold turned corn and cotton farmers into spare-time surface miners, and eventually brought people from mining regions of England, Wales, Italy, Germany, Austria, and Poland, not to mention put money directly into the pockets of the cash-poor citizens of this new nation. As surface mines played out and evolved into deep mining enterprises, private interests organized investors, business plans, large-scale machinery, and mining expertise to create full-time corporations. These industrial enterprises attracted money from the North and abroad. The state also, in 1827, granted the first corporate charters to mining firms, giving investors some legal protection.

The North Carolina gold rush pales in

comparison to California's, which produced gold estimated at \$200 million (in that era's dollars). North Carolina's output totaled about \$17.5 million between 1799 and 1860, excluding gold that was bartered or shipped abroad. (The price of gold hovered around \$20 per ounce throughout the 19th century.)

In contrast to the wild California migration from around the globe to stake claims, the North Carolina rush seems subdued. But from 1804 until 1828, all domestic gold coined at the U.S. Mint in Philadelphia came from the Tarheel state. At the time, however, precious little came back home to circulate.

Grains of Gold

New World explorers searched for gold to no avail. While rumors of riches abounded in the Colonial era, there's no record of its discovery. But the Europeans who undertook those expeditions were on royal missions, and most gold discovered would have become royal property. "Thus, there had never been a gold rush," writes Bruce Roberts in his book, *The Carolina Gold Rush*. "What sense was there in rushing in to get something the king's men would appropriate?"

North Carolina gold lay in what's known to geologists as the Carolina slate belt, a swath that extends through the Piedmont region from Virginia to Mississippi. But mines also were found in the western and eastern parts of the state, according to retired historian Richard Knapp, who co-authored *Gold Mining in North Carolina* with Brent Glass, who now directs the Smithsonian's National Museum of American History.

U.S. Mint deposits don't reflect the total amount of gold produced because miners spent gold with local

merchants, shipped it to Europe, and used it to make jewelry and decorate guns besides sending it to be coined. At the country stores, a pennyweight of gold was worth almost a dollar, according to Bruce Roberts.

North Carolinians needed that cash. Production in those early years had been erratic, and annual shipments to the Mint in Philadelphia were negligible, partly because the gold particles served as currency. Gold was highly valued, according to Knapp and Glass, because there wasn't much currency to be had. By 1819, only \$5 circulated for each citizen in the nation. The North Carolina state geologist of the era, Denison Olmsted, wrote: "Almost every man carries with him a goose quill or two of it [gold], and a small pair of scales in a box like a spectacle case ... I saw a pint of whiskey paid for by the weighing of 3 1/2 grains of gold."

As cotton fortunes rose and fell, eras of price decline inspired farmers to spend more time finding gold. Most mines remained inefficient and production sporadic, but several gained prominence and, by the 1830s, the gold mines were becoming big business.

Easy Pickings

At first, farmers found gold in streambeds, what was called "placer," "branch," or "deposit" mining. Farmers diverted water to wash pans or troughs of gravel. (Gold is 19 times heavier than water, eight times heavier than sand, and three times heavier than iron, so it sank to the bottom. Gold particles are also attracted by amalgamation with other metals.) Miners worked for a share, typically 87 cents to 90 cents per day, according to Roberts, although it's hard to believe the hired help didn't stuff their own pockets first. The amount, comparable to the era's farm labor wages, varied day by day, mine by mine, according to the gold that laborers found.

By the 1820s surface gold had begun to play out. William Thornton, the architect who had designed the U.S. Capitol building, had researched gold prospects in 1806, and returned to Washington, D.C., to form the N.C. Gold Mine Co. His venture fizzled, but he contributed the insight that more gold might lay underground.

The gold mining industry began in earnest in 1825 when a Stanly County farmer named Barringer investigated a rock outcropping. He struck a vein of gold mixed with quartz, and in one day had extracted \$1,200 to \$1,500 worth of gold.

Before the mines lost their glitter, half the state's counties had at least one, with the most found in Mecklenburg. That county's mines included those with colorful names like Queen of Sheba, King Solomon, and the famous Rudisill mine at the intersection of Mint and Summit streets in Charlotte. Count Vincent de Rivafinoli managed the Mecklenburg Gold Mining Co. that employed about 600 people. By 1830, the Charlotte-based *Miners' and Farmers' Journal* began publishing. Articles about gold mines were picked up in other weekly newspapers, and the news of North Carolina gold put the state on the map.

"Mecklenburg County may have been a 'hornet's nest' to Cornwallis and a 'trifling place' to George Washington but

40 years later it was a prospector's paradise with a mine on every farm," writes Roberts.

But turning gold nuggets into coins presented almost as much of a problem as mining it. The trip to Philadelphia over rutted roads offered little but danger and an expense of 5 cents to 10 cents a mile. If a mine owner preferred to stay home so he could mine more gold, he could ship his product, but risked theft and expense that way, too. And if he cashed the gold out at a local bank or business, he would pay a commission of 6 percent or more.

Legislative efforts prevailed when, in 1835, President Andrew Jackson signed legislation authorizing branch mints in Charlotte (population 730), the center of gold production. The legislation also brought mints to Dahlonega, Ga., and New Orleans.

Even though the U.S. Mint didn't open the Charlotte branch until 1838, a private enterprise had been minting coins in the town of Rutherfordton in the foothills for seven years.

The Bechtler Mint

A German gunsmith, Christopher Bechtler, Sr., immigrated from a gold-mining region in Germany when news of North Carolina's gold reached Europe. He settled near gold finds in the South Mountain geological belt, opened shop in 1831, and minted the first American gold dollar. The U.S. Mint did not begin coining gold dollars until 1849. (The Charlotte Mint produced only gold coins — totaling approximately \$5 million over the life of the mint — in three denominations.) Bechtler's books, according to Roberts, show that he coined more than \$2.2 million from 1831 to 1840.

By this time, the deep mining that required equipment, labor, and know-how had taken root. Shafts were sunk to as much as 900 feet deep in the Gold Hill Mines, perhaps the most developed hard-rock mine in North Carolina, according to Knapp and Glass. In 1857, *Harper's New Monthly Magazine* published an illustrated account of life in this mining town in Rowan County near Salisbury, N.C. The author, writing under the pseudonym Porte Crayon, describes his descent into the mine's mouth:

This was a square opening lined with heavy timber, and partly occupied by an enormous pump used to clear the mines of water and worked by steam ... The ladders were about twenty inches wide, with one side set against the timber lining of the shaft, so that the climber had to manage his elbows to keep from throwing the weight of the body on the other side ... Heated and reeling with fatigue, they at length halted at the two hundred and seventy foot gallery. Here they reposed for a few minutes, and then leaving the shaft walked some distance into the horizontal opening ... The miners were congregated here, awaiting the explosion of a number of blasts in the main gallery ... They were soon enveloped in an atmosphere of sulphurous smoke.

Gold Hill today is a 70-acre park privately owned by the nonprofit Gold Hill Foundation, which also owns the mineral rights over 400 acres. From documents and clippings, Vivian Hopkins, who lives near Gold Hill, has pieced together the history of the gold heyday. The first discoveries were in 1823 and 1824, she says, with copper and silver running through the veins as well as gold. The mine's two main shafts, Barnhardt and Randolph, plumbed depths of 500 and 800 feet, respectively. By the early 1840s, the mine had become a conglomerate of 23 mines in the Gold Hill region. The lively town developed the usual businesses of the day: a general store, shoemaker, livery stables, and wagon makers.

Gold Hill investors traded stock on a New York exchange; mine experts oversaw three daily shifts. While the gold mining industry never replaced farming, authors Knapp and Glass write that it "offers impressive evidence of industrialization that struck a balance between industry and agriculture, a balance that persisted in other, more successful industries that fueled the state's economy well into the end of the twentieth century."

The Panics of 1837 and 1857

The North Carolina gold rush erupted in an era when state banks issued their own notes, and attempts at national banking had foundered. Silver coins that had been produced at Philadelphia were being hoarded by state and private banks to back their paper currency. The effects of the gold finds in North Carolina on the financial system apparently have been little researched, yet the claim is made that North Carolina gold made a big difference in the amount of gold available to the federal government, Knapp says.

Even after the California Gold Rush, the mines at Gold Hill thrived, Hopkins says, noting it wasn't until 1857 that *Harper's Weekly* published its accounts of Gold Hill. Up to the Panic of 1857, which brought a chain of failures of banks and businesses, many gold mines were bought by Northern interests, Knapp says. But by 1860, even before the Civil War forced operations to cease, gold mining began its decline.

"The Panic of 1857 had an effect — it was harder for companies after that depression to raise capital, and they were competing with companies in California, which probably offered better chances," he says. Mining engineers and experts migrated to California, and gold in the North Carolina mines was getting more expensive to extract because deep mines typically hit water. There's an old saying that when the pumping starts, the mining ends, Knapp says, adding that there were more engineering

problems than there was gold to be had.

But one flamboyant promoter of the era, Walter George Newman, enticed Wall Street investors by salting the mine at Gold Hill with gold nuggets. Newman went out of business and died penniless.

The North Carolina Militia put the Charlotte branch mint under state control in 1861, with its coins and bullion turned over to the Confederate states. It never reopened but served as a hospital and headquarters during the war. The structure was rebuilt, altered, moved, and today houses the Mint Museum of Art, where the exhibits include gold coins.

While the gold mines never had the long-term impact of the textile or tobacco industries, the deep mines nevertheless were the first industry to attract significant outside capital and form corporations. Farmers' mining efforts, and later deep mine enterprises, brought an organization of work routines and expertise critical to industrial development.

An overlooked contribution of the gold mines in the state's industrial evolution was its public relations value. News of gold pulled in experts, captains of industry, money, and miners to the sleepy backwater. They came from the North and abroad, especially England. And the wealth generated by the gold industry played a part in the development of Charlotte as a banking center. Consider Robert Miller who bought Charlotte's Rudisill gold mine in 1878 along with several partners. Miller was an original board member of the Commercial National Bank, Bank of America's predecessor.

In the Depression, there was a resurgence of creek and deep mining especially after President Franklin Roosevelt fixed the price of gold to \$35 an ounce, its first significant increase in many years. "It got people interested in gold as a source of income," Knapp says. Although workmen did find a nugget while constructing a new building for First Union National Bank in Charlotte in 1969, the easily gotten gold was no doubt exhausted.

Gold seekers today can walk portions of a restored mine tunnel and pan for gold at the state's historic site where the Cabarrus County boy found that first chunk, the Reed Gold Mine. And prospectors still pore over geological maps. In 2008 the Gold Summit Corp. of Nevada investigated the potential for gold on sites in North Carolina and South Carolina, showing that the fascination with *el dorado* never dies. The results proved too weak to pursue, according to a press release, but "the partners remain interested in evaluating more of the higher-priority gold anomalies in the broader districts if suitable option terms can be negotiated." **RF**

READINGS

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